



## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-357-826]

#### **White Grape Juice Concentrate from Argentina: Preliminary Affirmative Countervailing Duty Determination**

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**SUMMARY:** The U.S. Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of white grape juice concentrate from Argentina. The period of investigation is January 1, 2021, through December 31, 2021. Interested parties are invited to comment on this preliminary determination.

**DATES:** Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**FOR FURTHER INFORMATION CONTACT:** Gene H. Calvert, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3586.

#### **SUPPLEMENTARY INFORMATION:**

##### Background

This preliminary determination is made in accordance with section 703(b) of the Tariff Act of 1930, as amended (the Act). On April 20, 2022, Commerce initiated a countervailing duty (CVD) investigation of imports of white grape juice concentrate from Argentina.<sup>1</sup> On June 9, 2022, Commerce postponed the preliminary determination until August 29, 2022.<sup>2</sup> For a complete description of the events that followed the initiation of this investigation, *see the*

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<sup>1</sup> See *White Grape Juice Concentrate from the Republic of Argentina: Initiation of Countervailing Duty Investigation*, 87 FR 24945 (April 27, 2022) (*Initiation Notice*).

<sup>2</sup> See *White Grape Juice Concentrate from Argentina: Postponement of Preliminary Determination in the Countervailing Duty Investigation*, 87 FR 35164 (June 9, 2022).

Preliminary Determination Memorandum.<sup>3</sup> A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix II to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

### Scope of the Investigation

The product covered by this investigation is white grape juice concentrate from Argentina. For a complete description of the scope of this investigation, *see* Appendix I.

### Scope Comments

In accordance with the Preamble to Commerce's regulations,<sup>4</sup> Commerce set aside a period of time in the *Initiation Notice* for parties to raise issues regarding product coverage (*i.e.*, scope).<sup>5</sup> Commerce received no comments from interested parties concerning the scope of the concurrent antidumping duty and CVD investigations of WGJC from Argentina.<sup>6</sup>

### Methodology

Commerce is conducting this investigation in accordance with section 701 of the Act. For each of the subsidy programs found to be countervailable, Commerce preliminarily determines that there is a subsidy, *i.e.*, a financial contribution by an "authority" that gives rise to a benefit to the recipient, and that the subsidy is specific.<sup>7</sup>

### All-Others Rate

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<sup>3</sup> See Memorandum, "Decision Memorandum for the Affirmative Preliminary Determination in the Countervailing Duty Investigation of White Grape Juice Concentrate from Argentina," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

<sup>4</sup> See *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

<sup>5</sup> See *Initiation Notice*, 87 FR at 24946.

<sup>6</sup> Although Commerce received comments within this deadline from Delano Growers Grape Products, LLC (the petitioner), these comments did not relate to the scope language published in the *Initiation Notice*. See Petitioner's Letter, "Petition for the Imposition of Antidumping and Countervailing Duties: White Grape Juice Concentrate from Argentina," dated May 24, 2022.

<sup>7</sup> See section 771(5)(B) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

Sections 703(d) and 705(c)(5)(A) of the Act provide that in the preliminary determination, Commerce shall determine an estimated all-others rate for companies not individually examined. This rate shall be an amount equal to the weighted average of the estimated subsidy rates established for those companies individually examined, excluding any zero and *de minimis* rates and any rates based entirely under section 776 of the Act.

In this investigation, Commerce calculated estimated countervailable subsidy rates for Cepas Argentinas S.A. (Cepas) and for Federacion de Cooperativas Vitivinícolas Argentinas Coop. Ltda (Fecovita), the two individually-examined exporters/producers, that are not zero, *de minimis*, or based entirely on facts otherwise available. Commerce calculated the all-others rate using a weighted average of the individual estimated subsidy rates calculated for the examined respondents using each company's publicly-ranged sales values for the merchandise under consideration.<sup>8</sup>

#### Preliminary Determination

Commerce preliminarily determines that the following estimated net countervailable subsidy rates exist:

<b>Company</b>	<b>Subsidy Rate (percent <i>ad valorem</i>)</b>
Cepas Argentinas S.A. <sup>9</sup>	3.71
Federacion de Cooperativas Vitivinícolas Argentinas Coop. Ltda <sup>10</sup>	7.16
All Others	5.54

#### Suspension of Liquidation

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<sup>8</sup> With two respondents under examination, Commerce normally calculates: (A) a weighted-average of the estimated subsidy rates calculated for the examined respondents; (B) a simple average of the estimated subsidy rates calculated for the examined respondents; and (C) a weighted-average of the estimated subsidy rates calculated for the examined respondents using each company's publicly-ranged U.S. sales values for the merchandise under consideration. Commerce then compares (B) and (C) to (A) and selects the rate closest to (A) as the most appropriate rate for all other producers and exporters. For a complete analysis of the data, see Memorandum, "Preliminary Determination of Subsidy Rate for All Others," dated April 29, 2022.

<sup>9</sup> As discussed in the Preliminary Decision Memorandum, Commerce has preliminarily found Cepas Argentinas S.A. and San Lamberto Inversiones S.A. to be cross-owned, pursuant to 19 CFR 351.525(b)(6)(vi).

<sup>10</sup> Fecovita is also known as "Fecovita Coop Ltd." See Memorandum, "Respondent Selection," dated June 3, 2022.

In accordance with sections 703(d)(1)(B) and (d)(2) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise as described in the scope of the investigation section entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*. Further, pursuant to 19 CFR 351.205(d), Commerce will instruct CBP to require a cash deposit equal to the rates indicated above.

#### Disclosure

Commerce intends to disclose its calculations and analysis performed in this preliminary determination to interested parties within five days of its public announcement, or if there is no public announcement, within five days of the date of this notice in accordance with 19 CFR 351.224(b).

#### Verification

As provided in section 782(i)(1) of the Act, Commerce intends to verify the information relied upon in making its final determination.

#### Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the last verification report is issued in this investigation. Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than seven days after the deadline date for case briefs.<sup>11</sup> Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.<sup>12</sup> Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case or rebuttal briefs in this investigation are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

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<sup>11</sup> See 19 CFR 351.309; see also 19 CFR 351.303 (for general filing requirements).

<sup>12</sup> See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

#### U.S. International Trade Commission Notification

In accordance with section 703(f) of the Act, Commerce will notify the U.S. International Trade Commission (ITC) of its determination. If the final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after the final determination whether imports of white grape juice concentrate from Argentina are materially injuring, or threaten material injury to, the U.S. industry.

#### Notification to Interested Parties

This determination is issued and published pursuant to sections 703(f) and 777(i) of the Act, and 19 CFR 351.205(c).

Dated: August 29, 2022.

**Lisa W. Wang,**  
*Assistant Secretary for Enforcement and Compliance.*

## **Appendix I**

### **Scope of the Investigation**

The scope of this investigation covers white grape juice concentrate with a Brix level of 65 to 68, whether in frozen or non-frozen forms. White grape juice concentrate is concentrated grape juice produced from grapes of the *Vitis vinifera* L. species with a white flesh, including fresh market table grapes and raisin grapes (*e.g.*, Thompson Seedless), as well as several varieties of wine grapes (*e.g.*, Chardonnay, Chenin Blanc, Sauvignon Blanc, Colombard, *etc.*). The scope of this investigation covers white grape juice concentrate regardless of whether it has been certified as kosher, organic, or organic kosher. The white grape juice concentrate subject to this investigation consists of 100 percent grape juice with no other types of juice intermixed and no additional sugars or additives included.

The scope does not cover white grape juice concentrate produced from grapes of the *Vitis labrusca* species (*e.g.*, Niagara).

The products covered by this investigation are currently classified under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 2009.69.0040 and 2009.69.0060. The HTSUS subheadings and specifications are provided for convenience and customs purposes; the written description of the scope is dispositive.

## **Appendix II**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

- I. Summary
- II. Background
- III. Injury Test
- IV. Scope Comments
- V. Scope of the Investigation
- VI. Subsidies Valuation
- VII. Analysis of Programs
- VIII. Recommendation

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